

3907 Rosemead Blvd.
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AMY ENOMOTO-PEREZ, Ed.D., Superintendent



BOARD OF TRUSTEES:
Randall Cantrell
Ronald Esquivel
Rhonda Harmon
Fred Mascorro
Dennis McDonald

June 12, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Hall of Administration
500 West Temple Street
Los Angeles, California 90012

SUBJECT: ROSEMEAD SCHOOL DISTRICT REQUEST FOR BOARD TO LEVY TAXES
AND TO DIRECT THE AUDITOR-CONTROLLER TO PLACE TAXES ON TAX
ROLL; 3 VOTES REQUIRED

Dear Supervisors:

On November 7, 2000, the electorate of the Rosemead School District (the "District") authorized the District to issue bonds in the aggregate principal amount of \$30 million. Based on this authorization, the District has previously sold its General Obligation Bonds, Election of 2000, Series A in the aggregate principal amount of \$8,000,000 and its General Obligation Bonds, Election of 2000, Series B in the aggregate principal amount of \$10,000,000. On May 24, 2007, the Board of Trustees of the District adopted its resolution authorizing the issuance and sale of the third series of bonds in the aggregate principal amount of not to exceed \$7,000,000, designated the Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series C (the "Series C Bonds"), for the purpose of providing financing for school facilities authorized at the election.

The District formally requests, in accordance with Education Code §15250, that the Los Angeles County Board of Supervisors adopt the enclosed resolution to levy the appropriate taxes and to direct the County Auditor-Controller to place these taxes on the tax roll every year according to a debt service schedule to be supplied by the District following the sale of the Series C Bonds. It is anticipated that the Series C Bonds will be sold on July 10, 2007.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

1. Adopt the enclosed resolution.
2. After the board has taken action on this letter, the District requests that the Executive Officer-Clerk of the Board furnish (2) certified copies of this Resolution to: Jones Hall, A Professional Law Corporation, at 650 California Street, 18th Floor, San Francisco, CA 94108, Attn: William H. Madison, Esq., and send one (1) copy of this Resolution to each of the following:

Fax Numbers:

Business Office: 626-312-2907 * Child Development: 626-312-2918 * Personnel: 626-312-2914
Pupil Personnel: 626-312-3814 * Special Education/Educational Services: 626-312-2913
Food Services: 626-312-2921 * Payroll: 626-312-2916 * Purchasing: 626-312-2915

Board of Supervisors
County of Los Angeles
June 12, 2007

Dale Scott & Company, Inc.:
ATTN: Rob Leonard
400 Montgomery Street, Suite 805
San Francisco, CA 94104

Los Angeles County Treasurer and Tax Collector
ATTN: Sergio Marquez
500 W. Temple Street, Room 432
Los Angeles, CA 90012

Los Angeles County Auditor Controller
ATTN: Sanford Johnson
500 W. Temple Street, Room 603
Los Angeles, CA 90012

Los Angeles County Counsel
ATTN: Cammy C. DuPont, Esq.
500 W. Temple Street, Room 648
Los Angeles, CA 90012

Sincerely,



Amy Enomoto-Perez
Superintendent
Rosemead School District

**RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY
OF LOS ANGELES, CALIFORNIA AUTHORIZING THE LEVY OF
TAXES FOR GENERAL OBLIGATION BONDS OF THE ROSEMEAD
SCHOOL DISTRICT AND DIRECTING THE COUNTY AUDITOR-
CONTROLLER TO PLACE TAXES ON THE TAX ROLL**

WHEREAS, the issuance of \$30,000,000 principal amount of general obligation bonds of the Rosemead School District (the "District"), County of Los Angeles (the "County"), State of California, was authorized at an election held within the District on November 7, 2000, the proceeds of which are to be used for the acquisition, construction and rehabilitation of school facilities; and

WHEREAS, the District issued the first series of such bonds on May 16, 2001 in the principal amount of \$8,000,000 (the "Series A Bonds"); and

WHEREAS, the District issued the second series of such bonds on May 26, 2004 in the principal amount of \$10,000,000 (the "Series B Bonds"); and

WHEREAS, the Board of Trustees of the Rosemead School District (the "District Board") adopted its resolution on May 24, 2007, authorizing the issuance and sale of a third series of such general obligation bonds in the aggregate principal amount of not to exceed \$7,000,000 (the "Series C Bonds"); and

WHEREAS, the Treasurer and Tax Collector of the County has been designated by the District to act as paying agent for the Series C Bonds pursuant to such resolution; and

WHEREAS, Section 53506 et seq. of the Government Code of the State of California authorizes the District to issue the Series C Bonds directly in its own name pursuant to a resolution duly adopted by the District Board; and

WHEREAS, the Board of Supervisors of the County has been formally requested by the District to levy taxes in an amount sufficient to pay the principal of and interest on the Series C Bonds when due, and to direct the Auditor-Controller of the County to place on its 2007-08 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Series C Bonds which will be provided to the Auditor-Controller by the District following the sale of the Series C Bonds;

NOW, THEREFORE, THE LOS ANGELES COUNTY BOARD OF SUPERVISORS DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

SECTION 1. Levy of Taxes. That this Board levy taxes in an amount sufficient to pay when due the principal of and interest on the Series C Bonds.

SECTION 2. Preparation of Tax Roll. That the Auditor-Controller of the County of Los Angeles is hereby directed to place on its 2007-08 tax roll, and all subsequent tax rolls, taxes sufficient to fulfill the requirements of the debt service schedule for the Series C Bonds which will be provided to the Auditor-Controller by the District following the sale of the Series C Bonds.

SECTION 3. Paying Agent. That the Treasurer and Tax Collector of the County, or the Treasurer's third-party designee, act as paying agent for the Bonds.

SECTION 4. Effective Date. This Resolution shall take effect immediately upon its passage.

The foregoing resolution was adopted on the 3RD day of JULY, 2007, by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.



SACHI A. HAMAI, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles.

By


Deputy

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.,
County Counsel

By:


Principal Deputy County Counsel

**BOARD OF TRUSTEES
ROSEMEAD SCHOOL DISTRICT**

RESOLUTION NO. 06-07/21

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS OF THE DISTRICT IN THE
AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$7,000,000**

WHEREAS, a special bond election was duly and regularly held in the Rosemead School District (the "District") on November 7, 2000 for the purpose of submitting to the qualified electors of the District the question whether bonds should be issued in the maximum aggregate principal amount of \$30,000,000 (the "Bonds"); and

WHEREAS, more than two-thirds of the votes cast at said election were in favor of the issuance of the Bonds; and

WHEREAS, the Board of Trustees of the District is authorized to provide for the issuance and sale of any series of Bonds on behalf of the District pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53506 of said Code (the "Bond Law"); and

WHEREAS, the District issued and sold the first series of Bonds (the "Series A Bonds") under the Bond Law in the aggregate principal amount of \$8,000,000 on May 16, 2001;

WHEREAS, the District issued and sold the second series of Bonds (the "Series B Bonds") under the Bond Law in the aggregate principal amount of \$10,000,000 on May 26, 2004;

WHEREAS, the Board of Trustees has determined at this time to initiate proceedings for the issuance and sale of the third series of Bonds under the Bond Law in the aggregate principal amount of not to exceed \$7,000,000;

NOW, THEREFORE, the Board of Trustees of the District hereby finds, determines, declares and resolves as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

SECTION 1.01. *Definitions.* The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

"Bond Counsel" means (a) the firm of Jones Hall, A Professional Law Corporation, as Bond Counsel to the District, or (b) any other attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Law" means Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, as in effect on the date of adoption hereof and as amended hereafter.

"Bond Proposition" means the proposition submitted to and approved by more than two-thirds of the voters, pursuant to which the issuance of the Bonds has been authorized.

"Building Fund" means the fund established and held by the County pursuant to Section 3.03.

"Closing Date" means the date upon which there is a physical delivery of the Series C Bonds in exchange for the amount representing the purchase price of the Series C Bonds by the Original Purchaser.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the District and related to the authorization, issuance, sale and delivery of the Series C Bonds, including but not limited to the costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Paying Agent and its counsel, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, bond insurance premiums, fees and charges for preparation, execution and safekeeping of the Series C Bonds and any other cost, charge or fee in connection with the original issuance of the Series C Bonds.

"County" means the County of Los Angeles, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"Debt Service Fund" means the fund established and held by the County pursuant to Section 4.02.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to Section 2.09.

"Depository System Participant" means any participant in the Depository's book-entry system.

"District" means the Rosemead School District, a school district organized under the Constitution and laws of the State of California, and any successor thereto.

"District Representative" means the Superintendent or the Business Manager of the District, or any other duly appointed officer of the District authorized by resolution of the Board of Trustees to act as a representative of the District hereunder.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"Federal Securities" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service", 30 Montgomery Street, 10th Floor, Jersey City, New Jersey 07302, Attention: Editor; Kenny Information Services' "Called Bond Service", 65 Broad Street, 16th Floor, New York, New York 10006; Moody's Investors Service "Municipal and Government", 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; Standard & Poor's Corporation "Called Bond Record", 25 Broadway, 3rd Floor, New York, New York 10004; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Interest Payment Date" means February 1, 2008, and the first day of each succeeding February and August.

"Office" means the office or offices of the Paying Agent for the payment of the Series C Bonds and the administration of its duties hereunder. Initially, the Office of the Paying Agent shall be 500 West Temple Street, Room 437, Los Angeles, California. The Office may be re-designated from time to time pursuant to written notice filed with the District by the Paying Agent.

"Original Purchaser" means the original purchaser of the Series C Bonds upon the public sale thereof.

"Outstanding," when used as of any particular time with reference to Series C Bonds, means all Series C Bonds except: (a) Series C Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation; (b) Series C Bonds paid or deemed to have been paid within the meaning of Section 9.02; and (c) Series C Bonds in lieu of or in substitution for which other Series C Bonds shall have been authorized, executed, issued and delivered by the District pursuant to this Resolution.

"Owner", whenever used herein with respect to a Series C Bond, means the person in whose name the ownership of such Series C Bond is registered on the Registration Books.

"Paying Agent" means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Series C Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01.

"Record Date" means the fifteenth (15th) day of the month preceding an Interest Payment Date, whether or not such day is a business day.

"Registration Books" means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Series C Bonds pursuant to Section 2.08.

"Resolution" means this Resolution, as originally adopted by the Board of Trustees and including all amendments hereto and supplements hereof which are duly adopted by the Board of Trustees from time to time in accordance herewith.

"Securities Depositories" means The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11230, Fax-(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures-Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax-(312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division,

1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax-(212) 496-5058; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the District may designate in a Written Request of the District delivered to the Paying Agent.

"Series C Bonds" means the Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series C, issued and at any time Outstanding pursuant to this Resolution.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Article VIII.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term Series C Bonds" means any Series C Bonds which are subject to mandatory sinking fund redemption pursuant to Section 2.03(b).

"Written Request of the District" means an instrument in writing signed by a District Representative or by any other officer of the District duly authorized to act on behalf of the District pursuant to a written certificate of a District Representative.

SECTION 1.02. *Interpretation.*

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

SECTION 1.03. *Authority for this Resolution; Findings.* This Resolution is entered into pursuant to the provisions of the Bond Law. It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of the Series C Bonds do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of the Series C Bonds, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California.

ARTICLE II

THE SERIES C BONDS

SECTION 2.01. *Authorization.* Series C Bonds in the aggregate principal amount of not to exceed Seven Million Dollars (\$7,000,000) are hereby authorized by the District to be issued by the District under and subject to the terms of the Bond Law and this Resolution, for the purpose of raising money for the acquisition or improvement of real property in accordance with the proposition authorizing the issuance of the Bonds, and to pay the Costs of Issuance in connection therewith. This Resolution constitutes a continuing agreement between the District and the Owners of all of the Series C Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and interest and premium, if any, on all Series C Bonds which may be Outstanding hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Series C Bonds shall be designated the "Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series C".

SECTION 2.02. *Terms of Series C Bonds.*

(a) Form; Numbering. The Series C Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Series C Bonds maturing in the year of maturity of the Series C Bond for which the denomination is specified. Series C Bonds shall be lettered and numbered as the Paying Agent shall prescribe.

(b) Date of Series C Bonds. The Series C Bonds shall be dated as of the Closing Date.

(c) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Series C Bonds, but such numbers shall not constitute a part of the contract evidenced by the Series C Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Series C Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Series C Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

(d) Maturities; Interest. The Series C Bonds shall mature (or, alternatively, be subject to mandatory sinking fund redemption as hereinafter provided) on the dates and in the amounts as determined upon the sale thereof.

Each Series C Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated on or before the first Record Date, in which event it shall bear interest from the dated date of the Series C Bonds; *provided, however*, that if at the time of authentication of a Series C Bond, interest is in default thereon, such Series C Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(e) Payment. Interest on the Series C Bonds (including the final interest payment upon maturity or redemption) is payable by check or draft of the Paying Agent mailed to the Owner thereof at such Owner's address as it appears on the Registration Books at the close of

business on the preceding Record Date; provided that at the written request of the Owner of at least \$1,000,000 aggregate principal amount of the Series C Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Series C Bonds shall be paid on the succeeding Interest Payment Date to such account as shall be specified in such written request. Principal of and premium (if any) on the Series C Bonds is payable in lawful money of the United States of America upon presentation and surrender at the Office of the Paying Agent.

SECTION 2.03. *Redemption.*

(a) Optional Redemption. The Series C Bonds shall be subject to redemption by the District at its option, if at all, from any source of legally available funds, on the dates and at the redemption prices as set forth in the Official Statement.

(b) Mandatory Sinking Fund Redemption. In the event and to the extent specified by the Original Purchaser in its bid for the Series C Bonds, any maturity of Series C Bonds shall be designated as "Term Bonds" and shall be subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in such bid, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of the Term Series C Bonds have been redeemed pursuant to the preceding subsection (a) of this Section, the aggregate principal amount of such Term Series C Bonds to be redeemed in each year pursuant to this subsection (b) shall be reduced on a pro rata basis in integral multiples of \$5,000, as shall be designated pursuant to a Written Request of the District filed with the Paying Agent.

(c) Selection of Series C Bonds for Redemption. Whenever less than all of the Outstanding Series C Bonds of any one maturity are designated for redemption, the Paying Agent shall select the Outstanding Series C Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series C Bond shall be deemed to consist of individual Series C Bonds of \$5,000 denominations each, which may be separately redeemed.

(d) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Series C Bonds designated for redemption, at their addresses appearing on the Registration Books; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Series C Bonds. In addition, notice of redemption shall be given by telecopy or certified, registered or overnight mail to each of the Securities Depositories at least two (2) days prior to such mailing to the Series C Bond Owners.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Series C Bonds are to be called for redemption, shall designate the serial numbers of the Series C Bonds to be redeemed by giving the individual number of each Series C Bond or by stating that all Series C Bonds between two stated numbers, both inclusive, or by stating that all of the Series C Bonds of one or more maturities have been called for redemption, and shall require that such Series C Bonds be then surrendered at the Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Series C Bonds will not accrue from and after the redemption date.

Upon surrender of Series C Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Series C Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series C Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption shall have been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Series C Bonds so called for redemption shall have been duly provided, such Series C Bonds shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice. All Series C Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Paying Agent, and a certificate or other evidence of such cancellation shall be submitted by the Paying Agent to the District.

SECTION 2.04. *Form of Series C Bonds.* The Series C Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Exhibit A attached hereto.

SECTION 2.05. *Execution of Series C Bonds.* The Series C Bonds shall be signed by the facsimile signature of the President of the Board and shall be attested by the facsimile signature of the Secretary of the Board, and the seal of the Board shall be reproduced thereon. No Series C Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication printed on the Series C Bond is signed by the Paying Agent as authenticating agent.

Only such Series C Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Series C Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

SECTION 2.06. *Transfer of Series C Bonds.* Any Series C Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series C Bond for cancellation at the Office at the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The District may charge a reasonable sum for each new Series C Bond issued upon any transfer.

Whenever any Series C Bond or Bonds shall be surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Series C Bond or Bonds, for like aggregate principal amount. No transfers of Series C Bonds shall be required to be made (a) fifteen (15) days prior to the date established by the Paying Agent for selection of Series C Bonds for redemption or (b) with respect to a Series C Bond which has been selected for redemption.

SECTION 2.07. *Exchange of Series C Bonds.* Series C Bonds may be exchanged at the Office of the Paying Agent for a like aggregate principal amount of Series C Bonds of authorized denominations and of the same maturity. The District may charge a reasonable sum for each new Series C Bond issued upon any exchange (except in the case of any exchange of

temporary Series C Bonds for definitive Series C Bonds). No exchanges of Series C Bonds shall be required to be made (a) fifteen (15) days prior to the date established by the Paying Agent for selection of Series C Bonds for redemption or (b) with respect to a Series C Bond which has been selected for redemption.

SECTION 2.08. *Registration Books.* The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Series C Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Series C Bonds as herein before provided.

SECTION 2.09. *Book-Entry System.* Except as provided below, the Owner of all of the Series C Bonds shall be DTC, and the Series C Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Series C Bonds shall be initially executed and delivered in the form of a single fully registered Series C Bond for each maturity date of the Series C Bonds in the full aggregate principal amount of the Series C Bonds maturing on such date. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive owner of the Series C Bonds registered in its name for all purposes of this Resolution, and neither the Paying Agent nor the District shall be affected by any notice to the contrary. The Paying Agent and the District shall not have any responsibility or obligation to any Depository System Participant, any person claiming a beneficial ownership interest in the Series C Bonds under or through DTC or a Depository System Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Depository System Participant or the payment by DTC or any Depository System Participant by DTC or any Depository System Participant of any amount in respect of the principal or interest with respect to the Series C Bonds. The District shall cause to be paid all principal and interest with respect to the Series C Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Series C Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Series C Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Series C Bonds and delivers a written certificate to DTC and the District to that effect, DTC shall notify the Depository System Participants of the availability through DTC of Series C Bonds. In such event, the District shall issue, transfer and exchange Series C Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series C Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Series C Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Series C Bonds evidencing the Series C Bonds to any Depository System Participant having Series C Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Series C Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Series C Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with

respect to the principal and interest with respect to such Series C Bond and all notices with respect to such Series C Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Series C Bonds.

SECTION 2.10. *Series C Bonds Mutilated, Lost, Destroyed or Stolen.* If any Series C Bond shall become mutilated the District, at the expense of the Owner of said Series C Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Series C Bond of like maturity and principal amount in exchange and substitution for the Series C Bond so mutilated, but only upon surrender to the Paying Agent of the Series C Bond so mutilated. Every mutilated Series C Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Series C Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Series C Bond of like maturity and principal amount in lieu of and in substitution for the Series C Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Series C Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Series C Bond issued under the provisions of this Section 2.10 in lieu of any Series C Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Series C Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Series C Bonds issued pursuant to this Resolution.

Notwithstanding any other provision of this Section 2.10, in lieu of delivering a new Series C Bond for which principal has or is about to become due for a Series C Bond which has been mutilated, lost, destroyed or stolen, the Paying Agent may make payment of such Series C Bond in accordance with its terms.

ARTICLE III

SALE OF SERIES C BONDS; APPLICATION OF PROCEEDS; APPOINTMENT OF BOND COUNSEL AND DISCLOSURE COUNSEL

SECTION 3.01. *Sale of Series C Bonds; Approval of Sale Documents.*

(a) Official Notice of Sale. The Series C Bonds shall be sold by competitive bid pursuant to and in accordance with the provisions of the Official Notice of Sale for the Series C Bonds in substantially the form on file with the Superintendent, together with such additions thereto and changes therein as may be approved by a District Representative, which is hereby incorporated herein by this reference. Said Official Notice of Sale and the Bid Form in substantially the form on file with the Superintendent, are hereby approved.

(b) Publication of Notice of Intention to Sell Series C Bonds. Pursuant to Government Code Section 53692, the District hereby approves and authorizes the publication by Bond Counsel of a notice of the District's intention to sell the Series C Bonds, in form and substance acceptable to Bond Counsel, in *The Bond Buyer* in accordance with Section 53692 of the Bond Law.

(c) Official Statement. The Board of Trustees hereby approves and deems nearly final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the Series C Bonds in the form on file with the Superintendent. A District Representative is hereby individually authorized, at the request of the Original Purchaser, to execute an appropriate certificate affirming the Board of Trustees' determination that the preliminary Official Statement has been deemed nearly final within the meaning of such Rule. Distribution of the preliminary Official Statement by the Original Purchaser is hereby approved. A District Representative is hereby individually authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by such District Representative shall be conclusive evidence of approval of any such changes and additions. The Board of Trustees hereby authorizes the distribution of the final Official Statement by the Original Purchaser. The final Official Statement shall be executed in the name and on behalf of the District by a District Representative.

(d) Furnishing of Official Notice of Sale and Official Statement. The financial advisor to the District, Dale Scott & Co., is hereby authorized and directed by the District to cause to be furnished to prospective bidders a reasonable number of copies of said Official Notice of Sale (including the Bid Form) and a reasonable number of copies of the Preliminary Official Statement relating to the Series C Bonds.

(e) Terms and Conditions of Sale. The terms and conditions of the offering and the sale of the Series C Bonds shall be as specified in said Official Notice of Sale. A District Representative, on behalf of the District, is hereby delegated the authority to accept the best responsible bid for the purchase of the Series C Bonds, determined in accordance with the Official Notice of Sale. In the event two or more bids setting forth identical interest rates and premium, if any, are received, a District Representative may exercise his or her own discretion and judgment in making the award and may award the Series C Bonds on a pro rata basis in such denominations as he or she shall determine, and may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. Sale of the Series C Bonds shall be awarded, or all bids shall be rejected, not later than 24 hours after the expiration of the time

prescribed for the receipt of proposals unless such time of award is waived by the successful bidder.

SECTION 3.02. *Application of Proceeds of Sale of Series C Bonds.* On the Closing Date, the proceeds of sale of the Series C Bonds shall be applied as follows:

(a) There shall be deposited with the County Treasurer in the Debt Service Fund for the Series C Bonds an amount equal to any premium on the Series C Bonds paid by the Original Purchaser to the District on the Closing Date; and

(b) There shall be deposited with the Paying Agent an amount equal to the portion of the premium realized on the sale of the Series C Bonds which has been designated to pay Issuance Expenses. The District Representative is hereby authorized and directed to execute and necessary contract with the Paying Agent which specifies the duties of the Paying Agent regarding payment of Issuance Expenses from funds deposited with it for such purposes.; and

(c) The proceeds from the sale of the Series C Bonds, to the extent of the principal amount thereof, shall be paid to the County Treasurer for deposit to the Building Fund created pursuant to Section 3.03.

SECTION 3.03. *Building Fund.* The District hereby directs the Los Angeles County Treasurer to establish, hold and maintain a fund to be known as the "Rosemead School District Series C General Obligation Bond Building Fund", which shall be maintained by the County as a separate account, distinct from all other funds of the County and the District. The proceeds from the sale of the Series C Bonds, to the extent required pursuant to Section 3.02(c), shall be deposited in and credited to the Building Fund, and shall be expended by the District solely for the acquisition or improvement of real property for which the Series C Bond proceeds are authorized to be expended pursuant to the Bond Proposition, and for payment of Costs of Issuance. All interest and other gain arising from the investment of amounts deposited to the Building Fund shall be retained in the Building Fund and used for the purposes thereof. At the Written Request of the District filed with the County, any amounts remaining on deposit in the Building Fund and not needed for the purposes thereof shall be withdrawn from the Building Fund and transferred to the Debt Service Fund, to be applied to pay the principal of and interest on the Series C Bonds.

SECTION 3.04. *Appointment of Bond Counsel and Disclosure Counsel.* Jones Hall, A Professional Law Corporation, is hereby appointed to act as bond counsel and disclosure counsel to the District for the issuance of the Bonds, and the District Representatives are hereby separately authorized to execute that certain Agreement for Legal Services, between the District and Jones Hall, in substantially the form on file with the District.

ARTICLE IV

SECURITY FOR THE SERIES C BONDS; DEBT SERVICE FUND

SECTION 4.01. *Security for the Series C Bonds.* The Series C Bonds shall be general obligations of the District payable from the levy of *ad valorem* taxes upon all property within the District subject to taxation by the District, without limitation as to rate or amount, for the payment of the Series C Bonds and the interest and redemption premium (if any) thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct *ad valorem* tax annually during the period the Series C Bonds are Outstanding in an amount sufficient to pay the principal of and interest and redemption premium (if any) on the Series C Bonds when due, including the principal of any Term Series C Bonds upon the mandatory sinking fund redemption thereof pursuant to Section 2.03(b), which moneys when collected will be placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on Series C Bonds shall not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon. In no event shall the principal of and interest and redemption premium (if any) on Series C Bonds be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon the taxable property in the District.

SECTION 4.02. *Debt Service Fund.* The District hereby directs the Treasurer and Tax Collector of the County to establish, hold and maintain a fund to be known as the "Rosemead School District Series C General Obligation Bond Debt Service Fund", which shall be maintained by the County as a separate account, distinct from all other funds of the County and the District. All taxes levied by the County, as directed by the District herein, for the payment of the principal of and interest and premium (if any) on the Series C Bonds in accordance with Section 4.01 shall be deposited in the Debt Service Fund by the County promptly upon apportionment of said levy. The Debt Service Fund shall be pledged for the payment of the principal of and interest on the Series C Bonds when and as the same become due, including the principal of any Term Series C Bonds required to be paid upon the mandatory sinking fund redemption thereof pursuant to Section 2.03(b). The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest and redemption premium (if any) on the Series C Bonds as the same become due and payable, shall be transferred by the County to the Paying Agent upon the Written Request of the District filed with the County, as required to pay the principal of and interest and redemption premium (if any) on the Series C Bonds.

If, after payment in full of the Series C Bonds, any amounts remain on deposit in the Debt Service Fund, such amounts shall be transferred by the County to the general fund of the District, upon the Written Request of the District filed with the County, to be applied solely in a manner which is consistent with the requirements of applicable state and federal tax law.

SECTION 4.03. *Investments.* All moneys held in any of the funds or accounts established with the County hereunder shall be invested in accordance with the investment policies of the County, as such policies shall exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made, and shall be expended for the purposes thereof. The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Resolution, or otherwise containing proceeds of the Series C Bonds, shall be acquired and disposed of at the Fair Market Value thereof. For purposes of this Section 4.03, the term "Fair Market Value" shall mean, with respect to any investment, the price at which a willing buyer would purchase such investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as described above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

SECTION 5.01. *Punctual Payment.* The District will punctually pay, or cause to be paid, the principal of and interest and redemption premium (if any) on the Series C Bonds, in strict conformity with the terms of the Series C Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Series C Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

SECTION 5.02. *Extension of Time for Payment.* In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Series C Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Series C Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

SECTION 5.03. *Books and Accounts; Financial Statement.* The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District in which complete and correct entries shall be made of all transactions relating to the Project. Such books of record and accounts shall at all times during business hours be subject to the inspection of the Paying Agent and the Owners of not less than ten percent (10%) in aggregate principal amount of the Series C Bonds then Outstanding, or their representatives authorized in writing.

SECTION 5.04. *Protection of Security and Rights of Series C Bond Owners.* The District will preserve and protect the security of the Series C Bonds and the rights of the Series

C Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Series C Bonds by the District, the Series C Bonds shall be incontestable by the District.

SECTION 5.05. *Tax Covenants.*

(a) Private Activity Bond Limitation. The District shall assure that the proceeds of the Series C Bonds are not so used as to cause the Series C Bonds to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Series C Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) No Arbitrage. The District shall not take, or permit or suffer to be taken by the Paying Agent or the County or otherwise, any action with respect to the proceeds of the Series C Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Series C Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Series C Bonds from the gross income of the Owners of the Series C Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings to United States. The District shall calculate or cause to be calculated excess investment earnings with respect to the Series C Bonds which are required to be rebated to the United States of America pursuant to Section 148(f) of the Tax Code, and shall pay the full amount of such excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required pursuant to the Tax Code, in the event and to the extent such Section 148(f) is applicable to the Series C Bonds. Such payments shall be made by the District from any source of legally available funds of the District. The District shall keep or cause to be kept, and retain or cause to be retained for a period of six (6) years following the retirement of the Series C Bonds, records of the determinations made pursuant to this subsection (e). In order to provide for the administration of this subsection (e), the District may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the District may deem appropriate.

SECTION 5.06. *Continuing Disclosure.* The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, which shall be executed by a District Representative and delivered on the Closing Date. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered a default by the District hereunder or under the Series C Bonds; however, any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any holder or beneficial owner of the Series C Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

SECTION 5.07. *Further Assurances.* The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably

necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Series C Bonds of the rights and benefits provided in this Resolution.

ARTICLE VI

THE PAYING AGENT

SECTION 6.01. *Appointment of Paying Agent.* U.S. Bank Trust National Association is hereby appointed to act as Paying Agent for the Series C Bonds and, in such capacity, shall also act as registration agent and authentication agent for the Series C Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series C Bonds, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business and having an office in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Series C Bond Owners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

SECTION 6.02. *Paying Agent May Hold Series C Bonds.* The Paying Agent may become the owner of any of the Series C Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

SECTION 6.03. *Liability of Agents.* The recitals of facts, covenants and agreements herein and in the Series C Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Series C Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer in the absence of the negligence of the Paying Agent.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 6.04. *Notice to Paying Agent.* The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

SECTION 6.05. *Compensation; Indemnification.* The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

REMEDIES OF SERIES C BOND OWNERS

SECTION 7.01. *Remedies of Series C Bond Owners.* Any Series C Bond Owner shall have the right, for the equal benefit and protection of all Series C Bond Owners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Series C Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Series C Bond Owners' rights; or

(c) upon the happening and continuation of any default by the District hereunder or under the Series C Bonds, by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

SECTION 7.02. *Remedies Not Exclusive.* No remedy herein conferred upon the Owners of Series C Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Series C Bond Owners.

ARTICLE VIII

AMENDMENT OF THIS RESOLUTION

SECTION 8.01. *Amendments Effective Without Consent of the Owners.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the Series C Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To confirm, as further assurance, any pledge under, and to subject to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(c) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Resolution, which in any event shall not materially adversely affect the interests of the Series C Bond Owners, in the opinion of Bond Counsel filed with the District; or

(d) To make such additions, deletions or modifications as may be necessary or desirable to assure exemption from federal income taxation of interest on the Series C Bonds.

SECTION 8.02. *Amendments Effective With Consent of the Owners.* Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Series C Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of a majority in aggregate principal amount of the Series C Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Series C Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Series C Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Series C Bonds without the consent of all the Owners of such Series C Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

SECTION 9.01. *Benefits of Resolution Limited to Parties.* Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the County, the Paying Agent and the Owners of the Series C Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the County, the Paying Agent and the Owners of the Series C Bonds, as their interest may appear.

SECTION 9.02. *Defeasance.*

(a) Payment of Series C Bonds; Discharge of Resolution. Series C Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on such Series C Bonds, as and when the same become due and payable;

(ii) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem such Series C Bonds; or

(iii) by delivering such Series C Bonds to the Paying Agent for cancellation by it.

If the District shall pay all Outstanding Series C Bonds and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Series C Bonds shall not have been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and

other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b). In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Resolution which are not required for the payment or redemption of Series C Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Series C Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) hereof) to pay or redeem any Outstanding Series C Bond (whether upon or prior to its maturity or the redemption date of such Series C Bond), provided that, if such Series C Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Series C Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Series C Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Series C Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established pursuant to this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Series C Bonds and all unpaid interest thereon to maturity, except that, in the case of Series C Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Series C Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Series C Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Series C Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Section 2.03 or provision satisfactory to the Paying Agent shall have been made for the giving of such notice.

(d) Transfer of Funds to District After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Series C Bonds and remaining unclaimed for one (1) year after the principal of all of the Series C Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this

Resolution), if such moneys were so held at such date, or one (1) year after the date of deposit of such moneys if deposited after said date when all of the Series C Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Series C Bonds which have not been paid at the addresses shown on the Registration Books a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Series C Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

SECTION 9.03. *Execution of Documents and Proof of Ownership by Series C Bond Owners.* Any request, declaration or other instrument which this Resolution may require or permit to be executed by Series C Bond Owners may be in one or more instruments of similar tenor, and shall be executed by Series C Bond Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Series C Bond Owner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Series C Bonds and the amount, maturity, number and date of holding the same shall be proved by the Registration Books.

Any request, declaration or other instrument or writing of the Owner of any Series C Bond shall bind all future Owners of such Series C Bond in respect of anything done or suffered to be done by the District or the Paying Agent in good faith and in accordance therewith.

SECTION 9.04. *Waiver of Personal Liability.* No Board of Trustees member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Series C Bonds; but nothing herein contained shall relieve any such Board of Trustees member, officer, agent or employee from the performance of any official duty provided by law.

SECTION 9.05. *Limited Duties of County; Indemnification.* The County (including its officers, agents and employees) shall undertake only those duties of the County under this Resolution which are specifically set forth in this Resolution, and even during the continuance of an event of default with respect to the Series C Bonds, no implied covenants or obligations shall be read into this Resolution against the County (including its officers, agents and employees).

The District further agrees to indemnify, defend and save the County (including its officers, agents and employees) harmless against any and all liabilities, costs, expenses, damages and claims which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

SECTION 9.06. *Destruction of Canceled Series C Bonds.* Whenever in this Resolution provision is made for the surrender to the District of any Series C Bonds which have been paid

or canceled pursuant to the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Series C Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Series C Bonds therein referred to.

SECTION 9.07. *Partial Invalidity.* If any section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Series C Bonds pursuant thereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief business official of the District in trust for the benefit of the Series C Bond Owners.

SECTION 9.08. *Execution of Documents.* The Superintendent, the Business Manager, the Secretary of the Board and any and all other officers of the District are each authorized and directed in the name and on behalf of the District to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Series C Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

SECTION 9.09. *Effective Date of Resolution.* This Resolution shall take effect from and after the date of its passage and adoption.

* * * * *

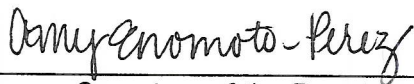
I hereby certify that the foregoing Resolution was passed and adopted by the Board of Trustees of the Rosemead School District at a regular meeting thereof duly held on May 24, 2007, by a majority vote of all of its members.

Adopted by the following votes:

AYES: 5

NOES: 0

ABSENT: 0



Secretary of the Board

ROSEMEAD SCHOOL DISTRICT




President of the Board



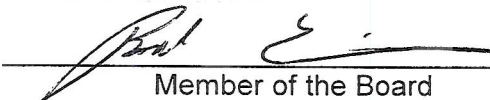
Clerk of the Board



Member of the Board



Member of the Board



Member of the Board

EXHIBIT A

FORM OF SERIES C BOND

REGISTERED BOND NO. _____

\$ _____

**ROSEMEAD SCHOOL DISTRICT
(County of Los Angeles, California)**

**GENERAL OBLIGATION BONDS
ELECTION 2000, SERIES C**

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP
% per annum			

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The Rosemead School District (the "District"), located in Los Angeles County, California (the "County"), for value received, hereby promises to pay to the Registered Owner named above, or registered assigns, the Principal Amount on the Maturity Date, each as stated above, and interest thereon, calculated on a 30/360 day basis, until the Principal Amount is paid or provided for, at the Interest Rate stated above, such interest to be paid on February 1 and August 1 of each year, commencing February 1, 2008 (the "Interest Payment Dates"). This Bond will bear interest from the Interest Payment Date next preceding the date of authentication hereof, unless (a) it is authenticated as of a business day following the 15th day of the month immediately preceding any Interest Payment Date and on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (b) it is authenticated on or before January 15, 2008, in which event it shall bear interest from the Dated Date set forth above. Principal, interest and redemption premium (if any) are payable in lawful money of the United States of America to the person in whose name this Bond is registered (the "Registered Owner") on the Bond registration books maintained by the Paying Agent, initially the Treasurer and Tax Collector of the County of Los Angeles. Principal hereof and any redemption premium hereon are payable upon presentation and surrender of this Bond at the office of the Paying Agent. Interest hereon is payable by check mailed by the Paying Agent on each Interest Payment Date to the Registered Owner of this Bond by first-class mail at the address appearing on the Bond registration books at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Record Date"); *provided, however*, that at the written request of the registered owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written request is on file with the Paying Agent prior to any Record Date, interest on such Bonds shall be paid on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as shall be specified in such written request.

This Bond is one of a series of [\$7,000,000] of Bonds issued for the purpose of raising money for the acquisition, construction and rehabilitation of school facilities, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith under authority of and pursuant to the laws of the State of California, and the requisite two-thirds vote of the electors of the District cast at a special bond election held on November 7, 2000, upon the question of issuing Bonds in the amount of \$30,000,000, and pursuant to the resolution of the Board of Trustees of the District adopted on May __, 2007 (the "Bond Resolution"). This Bond and the issue of which this Bond is a part are payable as to both principal and interest from the proceeds of the levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

The principal of and interest and redemption premium, if any, on this Bond does not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents and employees thereof, and neither the County, the State of California, any of its political subdivisions, nor any of the officers, agents and employees thereof shall be liable hereon. In no event shall the principal of and interest and redemption premium, if any, on this Bond be payable out of any funds or properties of the District other than *ad valorem* taxes levied upon all taxable property in the District.

The Bonds of this issue are issuable only as fully registered Bonds in the denominations of \$5,000 or any integral multiple thereof. This Bond is exchangeable and transferable for Bonds of other authorized denominations at the office of the Paying Agent, by the Registered Owner or by a person legally empowered to do so, upon presentation and surrender hereof to the Paying Agent, together with a request for exchange or an assignment signed by the Registered Owner or by a person legally empowered to do so, in a form satisfactory to the Paying Agent, all subject to the terms, limitations and conditions provided in the Bond Resolution. Any tax or governmental charges shall be paid by the transferor. The District and the Paying Agent may deem and treat the Registered Owner as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal or interest and for all other purposes, and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds maturing on or before August 1, 20__ are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity as a whole, or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, at the option of the District, from any available source of funds, on August 1, 20__, and on any date thereafter, at a redemption price equal to the principal amount of Series C Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds maturing on August 1, 20__ (the "Term Bonds") are also subject to mandatory sinking fund redemption on August 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption; *provided, however*, that if some but not all of the Term Bonds have been redeemed pursuant to the preceding paragraph, the aggregate principal amount of Term Bonds to be redeemed under this paragraph shall be reduced on a pro rata basis in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent.

Sinking Fund
Redemption Date
(August 1)

Principal
Amount To Be
Redeemed

The Paying Agent shall give notice of the redemption of the Bonds at the expense of the District. Such notice shall specify: (a) that the Bonds or a designated portion thereof are to be redeemed, (b) the numbers and CUSIP numbers of the Bonds to be redeemed, (c) the date of notice and the date of redemption, (d) the place or places where the redemption will be made, and (e) descriptive information regarding the Bonds including the dated date, interest rate and stated maturity date. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, the redemption premium, if any, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered owner of the Bonds, or if the original purchaser is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository and to a national information service that disseminates securities redemption notices and, by first class mail, postage prepaid, to the District and the respective Owners of any Bonds designated for redemption at their addresses appearing on the Bond registration books, in every case at least 30 days, but not more than 60 days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Neither the District nor the Paying Agent will be required: (a) to issue or transfer any Bond during a period beginning with the opening of business on the 15th calendar day next preceding either any Interest Payment Date or any date of selection of any Bond to be redeemed and ending with the close of business on the Interest Payment Date or a day on which the applicable notice of redemption is given, or (b) to transfer any Bond which has been selected or called for redemption in whole or in part.

Reference is made to the Bond Resolution for a more complete description of the provisions, among others, with respect to the nature and extent of the security for the Bonds of this series, the rights, duties and obligations of the District, the Paying Agent and the Registered Owners, and the terms and conditions upon which the Bonds are issued and secured. The owner of this Bond assents, by acceptance hereof, to all of the provisions of the Bond Resolution.

It is certified, recited and declared that all acts and conditions required by the Constitution and laws of the State of California to exist, to be performed or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District, have been performed and have been met in regular and due form as required by law; that payment in full for the Bonds has been received; that no statutory or constitutional limitation on indebtedness or taxation has been exceeded in issuing the Bonds; and that due provision has been made for levying and collecting *ad valorem* property taxes on all of the taxable property within the District in an amount sufficient to pay principal and interest when due, and for levying and collecting such taxes the full faith and credit of the District are hereby pledged.

This Bond shall not be valid or obligatory for any purpose and shall not be entitled to any security or benefit under the Bond Resolution until the Certificate of Authentication below has been manually signed by the Paying Agent.

IN WITNESS WHEREOF, the Rosemead School District has caused this Bond to be executed by the facsimile signature of the President of its Board of Trustees, and attested by the facsimile signature of the Secretary of its Board of Trustees, and has caused the seal of the District to be reproduced hereon, all as of the date stated above.

ROSEMEAD SCHOOL DISTRICT

By 
President
Board of Trustees

Attest:


Secretary
Board of Trustees

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the Bond Resolution referred to herein.

Date of Authentication:

Treasurer and Tax Collector of the County
of Los Angeles, as Paying Agent

By _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint

attorney, to transfer the same on the registration books of the Bond Registrar, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible
guarantor institution.

Note: The signature(s) on this Assignment must
correspond with the name(s) as written on the face of
the within Bond in every particular without alteration or
enlargement or any change whatsoever.

**BOARD OF TRUSTEES
ROSEMEAD SCHOOL DISTRICT**

RESOLUTION NO. 06-07/20

**A RESOLUTION OF THE BOARD OF TRUSTEES OF THE ROSEMEAD
SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF ITS 2007 GENERAL
OBLIGATION REFUNDING BONDS**

RESOLVED, by the Board of Trustees of the Rosemead School District (the "District"), as follows:

WHEREAS, the District has previously issued two series of bonds, entitled (i) Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series A, in the original principal amount of \$8,000,000 (the "Prior Series A Bonds") and (ii) Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series B, in the original principal amount of \$10,000,000 (the "Prior Series B Bonds" and, together with the Prior Series A Bonds, the "Prior Bonds");

WHEREAS, pursuant to Article 9 of Chapter 3 (commencing with section 53550) of Division 2 of Title 5 of the California Government Code and Article 3.7 (commencing with section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the California Government Code (collectively, the "Act"), the District is empowered to issue general obligation bonds to refund the Prior Bonds;

WHEREAS, the District intends to issue its General Obligation Refunding Bonds, in an aggregate principal amount not to exceed \$17,000,000, pursuant to this resolution and in conformity with the Act, in order to refund on an advance basis all or a portion of the Prior Series A Bonds and all or a portion of the Prior Series B Bonds, thereby realizing financial savings to the District of at least 3% of the net present value of the principal amount of Prior Bonds being refunded;

WHEREAS, this Board of Trustees now desires to authorize the issuance of the refunding bonds;

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Resolution, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

"Act" means, collectively, Article 9 of Chapter 3 (commencing with Section 53550) of Division 2 of Title 5 of the California Government Code and Article 3.7 of Chapter 4 (commencing with section 53720) of Part 1 of Division 2 of Title 5 of the California Government Code, as each is in effect on the date of adoption hereof and as amended hereafter.

"Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Resolution, and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Article, Section or subdivision hereof.

"Authorized Investments" means Federal Securities and any securities (other than those identified in paragraphs (a) and (d) of Section 53601 of the Government Code of the State) in which the County may legally invest funds subject to its control, pursuant to Article 1, commencing with Section 5360, or Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code of the State, as hereafter amended, provided that such securities are acquired at Fair Market Value.

"Board" means the Board of Trustees of the District.

"Bond" or "Bonds" means the bonds designated "Rosemead School District (County of Los Angeles, California) 2007 General Obligation Refunding Bonds" at any time Outstanding pursuant to this Resolution.

"Bond Counsel" means any attorney or firm of attorneys nationally recognized for expertise in rendering opinions as to the legality and tax exempt status of securities issued by public entities.

"Bond Year" means the twelve month period beginning on August 1 in each year and ending on the day prior to August 1 in the following year, except that the first Bond year shall begin on the Closing Date.

"Certificate of the District" means an instrument in writing signed by the District Representative or by any other officer of the District duly authorized by the District for that purpose.

"Closing Date" means the date upon which there is an exchange of Bonds for the proceeds representing the purchase price of the Bonds by the Original Purchaser.

"Continuing Disclosure Certificate" shall mean that certain Continuing Disclosure Certificate executed by the Issuer and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Costs of Issuance" means the expenses incurred in connection with the authorization, issuance sale and delivery of the Bonds, including, but not limited to, compensation and expenses of the District, the County and the Paying Agent, bond insurance premium, Bond Counsel, Disclosure Counsel, the Original Purchaser (other than those taken as discount on the Closing Date), legal fees, expenses, filings and recording costs, costs of preparation and reproduction of bonds, certificates, documents and other instruments and registration and delivery of the Bonds and compliance with the Tax Code.

"Costs of Issuance Fund" means the fund held by the Paying Agent for the District under Section 3.05 to pay the Costs of Issuance.

"County" means the County of Los Angeles, California, a political subdivision of the State of California, duly organized and existing under the Constitution and laws of the State of California.

"County Treasurer" means the Treasurer and Tax Collector of the County or designee or successor thereto.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Debt Service Fund" means the fund held by the County Treasurer for the District under Section 3.03 to pay Debt Service.

"District Representative" means the Superintendent or the Business Manager of the District, or any other person authorized by resolution of the Board of Trustees of the District to act on behalf of the District with respect to this Resolution and the Bonds.

"Escrow Holder" means the financial institution acting as the escrow bank under the Escrow Agreement.

"Escrow Agreement" means the Escrow Deposit and Trust Agreement, dated as of the closing date, by and between the District and the Escrow Holder.

"Events of Default" means those events specified in Section 7.01.

"Fair Market Value" means, with respect to Authorized Investments, the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which

the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; (b) obligations of any agency or department of the United States of America which represent the full faith and credit of the United States of America or the timely payment of the principal of and interest on which are secured or guaranteed by the full faith and credit of the United States of America; and (c) any obligations issued by the State or any political subdivision thereof the payment of the principal of and interest and premium (if any) on which are fully secured by Federal Securities described in the preceding clauses (a) or (b).

"Interest Payment Dates" means each February 1 and August 1, commencing on August 1, 2007, being the dates upon which interest on the Bonds is payable.

"Original Purchaser" means Piper Jaffray & Co., as the first purchaser of the Bonds pursuant to the Purchase Contract.

"Outstanding", when used as of any particular time with reference to Bonds, means all Bonds except:

- (a) Bonds theretofore canceled by the Paying Agent or surrendered to the Paying Agent for cancellation;

- (b) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof; and

- (c) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to the Resolution.

"Owner" or "Bondowner" means any person who shall be the registered owner of any Outstanding Bond.

"Participating Underwriter" shall have the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Paying Agent" means the Paying Agent appointed by the District and acting as paying agent, registrar and authenticating agent for the Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in Section 6.01 hereof.

"Principal Office" means the office or offices of the Paying Agent for the payment of the Bonds and the administration of its duties hereunder, as such office or offices shall be identified in a written notice filed with the District by the Paying Agent.

"Prior Bonds" means, collectively, the Series A Prior Bonds and the Series B Prior Bonds.

"Purchase Contract" means the Purchase Contract, dated the date of sale of the Bonds, by and between the Original Purchaser and the District, pursuant to which the Original

Purchaser agrees to purchase all of the Bonds, subject to the conditions contained in Section 4.01 hereof.

"Resolution" means this Resolution.

"Series A Escrow Fund" is the account of that name established and held under the Escrow Agreement and as described in Section 3.04.

"Series A Prior Bonds" means Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series A, issued in the original principal amount of \$8,000,000.

"Series B Escrow Fund" is the account of that name established and held under the Escrow Agreement and as described in Section 3.04.

"Series B Prior Bonds" means Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election 2000, Series B, issued in the original principal amount of \$10,000,000.

"Supplemental Resolution" means any resolution supplemental to or amendatory of this Resolution, adopted by the District in accordance with Article VIII hereof.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Tax Code.

Section 1.02. Authority for this Resolution. This Resolution is entered into pursuant to the provisions of the Act. This Board hereby determines that the prudent management of its fiscal affairs requires the issuance of refunding bonds under the Act to refund the Prior Bonds. This Board hereby determines that the total net interest cost to maturity of the Bonds to be issued under this Resolution plus the principal amount thereof do not exceed the total net interest cost to maturity of the Prior Bonds plus the principal amount thereof, provided that, subject to such limitation, the principal amount of the Bonds may be more, less than or the same as the principal amount of the Prior Bonds.

ARTICLE II

THE BONDS

Section 2.01. Authorization. Bonds in an aggregate principal amount of not to exceed Seventeen Million Dollars (\$17,000,000) are hereby authorized to be issued by the District under and subject to the terms of the Act and this Resolution. This Resolution constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and premiums, if any, and the interest on all Bonds which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated the "Rosemead School District (County of Los Angeles, California) 2007 General Obligation Refunding Bonds."

Section 2.02. Terms of Bonds.

(a) Form; Numbering. The Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of \$5,000 each or any integral multiple thereof, but in an amount not to exceed the aggregate principal amount of Bonds maturing in the year of maturity of the Bond for which the denomination is specified. Bonds shall be lettered and numbered as the Paying Agent shall prescribe.

(b) Date of Bonds. The Bonds shall be dated the Closing Date.

(c) CUSIP Identification Numbers. "CUSIP" identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

(d) Maturities; Interest. The Bonds shall mature and become payable on August 1 or February 1 of each year and on the dates and in the amounts and shall bear interest at such rate or rates, payable on the Interest Payment Dates, all as specified in the Official Statement.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is registered and authenticated prior to January 15, 2008, in which event it shall bear interest from The Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Interest on the Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

(e) Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Paying Agent mailed via first-class mail to the Owner thereof at such Owner's address as it appears on the registration books

maintained by the Paying Agent at the close of business on the fifteenth (15th) day of the month preceding the Interest Payment Date, or at such other address as the Owner may have filed with the Paying Agent for that purpose. Principal of the Bonds is payable in lawful money of the United States of America at the Principal Office of the Paying Agent.

Section 2.03. Redemption.

(a) Optional Redemption. The Bonds shall be subject to redemption by the District at its option, if at all, from any source of legally available funds, on the dates and at the redemption prices as set forth in the Official Statement.

(b) Mandatory Sinking Fund Redemption. In the event and to the extent specified in the Official Statement, any maturity of Bonds shall be designated as "Term Bonds" and shall be subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts set forth in the Official Statement, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption. If some but not all of such Term Bonds have been redeemed pursuant to the preceding subsection (a) of this Section, the aggregate principal amount of such Term Bonds to be redeemed in each year pursuant to this subsection (b) shall be reduced on a pro rata basis in integral multiples of \$5,000, as shall be designated pursuant to written notice filed by the District with the Paying Agent.

(c) Redemption Procedure. The Paying Agent shall cause notice of any redemption to be mailed, by first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to (i) one or more of the Information Services, and (ii) to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Bonds.

Such notice shall state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Refunding Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Principal Office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Paying Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Refunding Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Refunding Bond or Bonds.

From and after the date fixed for redemption, if notice of such redemption shall have been duly given and funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Resolution other than the right to receive payment of the redemption price, and no interest shall accrue thereon on or after the redemption date specified in such notice. All Bonds redeemed pursuant to this

Section 2.03 shall be canceled by the Paying Agent, and a certificate of cancellation shall be submitted by the Paying Agent to the District.

Section 2.04. Form of Bonds. The Bonds, the form of the Paying Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the forms, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Resolution, as are set forth in Exhibit A attached hereto.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the District by the facsimile signatures of its Superintendent and its Clerk of the Board who are in office on the date of adoption of this Resolution or at any time thereafter, and the seal of the District shall be impressed, imprinted or reproduced by facsimile thereon. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and attested on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A attached hereto, executed and dated by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Resolution.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The Paying Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Paying Agent shall authenticate and deliver a new Bond or Bonds, for like aggregate principal amount.

No transfers of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to the date established by the Paying Agent for selection of Bonds for redemption or (b) with respect to a Bond after such Bond has been selected for redemption.

Section 2.08. Bond Register. The Paying Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Paying Agent and the Paying Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Resolution as definitive Bonds executed and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated the District, at the expense of the Owner of said Bond, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Resolution with all other Bonds issued pursuant to this Resolution.

Section 2.11. Book Entry System. Except as provided below, the owner of all of the Bonds shall be The Depository Trust Company, New York, New York ("DTC"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. The Bonds shall be initially executed and delivered in the form of a single fully registered Bond for each maturity date of the Bonds in the full aggregate principal amount of the Bonds maturing on such date. The District may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for all purposes of this Resolution, and the District shall not be affected by any notice to the contrary. The District shall not have any responsibility or obligation to any participant of DTC (a "Participant"), any person claiming a beneficial ownership interest in the

Bonds under or through DTC or a Participant, or any other person which is not shown on the register of the District as being an owner, with respect to the accuracy of any records maintained by DTC or any Participant or the payment by DTC or any Participant by DTC or any Participant of any amount in respect of the principal or interest with respect to the Bonds. The District shall pay all principal and interest with respect to the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal and interest with respect to the Bonds to the extent of the sum or sums so paid. Except under the conditions noted below, no person other than DTC shall receive a Bond. Upon delivery by DTC to the District of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the term "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

If the District determines that it is in the best interest of the beneficial owners that they be able to obtain Bonds and delivers a written certificate to DTC to that effect, DTC shall notify the Participants of the availability through DTC of Bonds. In such event, the District shall issue, transfer and exchange Bonds as requested by DTC and any other owners in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the District and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the District shall be obligated to deliver Bonds as described in this Resolution. Whenever DTC requests the District to do so, the District will cooperate with DTC in taking appropriate action after reasonable notice to (a) make available one or more separate Bonds evidencing the Bonds to any DTC Participant having Bonds credited to its DTC account or (b) arrange for another securities depository to maintain custody of certificates evidencing the Bonds.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and interest with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, to DTC as provided as in the representation letter delivered on the date of issuance of the Bonds.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF BOND PROCEEDS; SECURITY FOR THE BONDS

Section 3.01. Issuance, Award and Delivery of Bonds. At any time after the execution of this Resolution the District may issue and deliver Bonds in the aggregate principal amount of not to exceed Seventeen Million Dollars (\$17,000,000), so long as the District achieves financial savings of at least 3% of the net present value of the principal amount of Prior Bonds being refunded.

The District Representative shall be, and is hereby, directed to cause the Bonds to be printed, signed and sealed, and to be delivered to the Original Purchaser on receipt of the purchase price therefore, and upon performance of the conditions contained in the Purchase Contract relating to the Bonds. The Paying Agent is hereby authorized to deliver the Bonds to the Original Purchaser, upon receipt of a Certificate of the District.

Section 3.02. Application of Proceeds of Sale of Bonds.

The proceeds of the Bonds shall be deposited as follows:

(a) Premium on the Bonds shall, if directed by the District, be applied to pay Costs of Issuance, with any excess premium to be transferred to the County Treasurer, for deposit in the Debt Service Fund;

(b) Pursuant to a written direction of the District, to make a deposit to the Series A Escrow Fund and the Series B Escrow Fund, to be applied to purchase certain Federal Securities in accordance with the Escrow Agreement for the payment and discharge of the Prior Bonds; and

(c) The remainder of the proceeds of the Bonds shall be paid to the Paying Agent, for deposit to the Costs of Issuance Fund, which shall be used to pay Costs of Issuance with respect to the Bonds.

Section 3.03. Debt Service Fund. The Debt Service Fund is hereby established as a separate fund to be held by the County Treasurer for the District and shall receive any deposits under Section 3.02(a) or 3.02(b) and moneys sufficient to pay Debt Service on the Bonds. Except as required to satisfy the requirements of Section 148(f) of the Tax Code, interest earned on the investment of moneys held in the Debt Service Fund shall be retained in it and used by the County Treasurer to pay the Debt Service (including any sinking fund payments) on the Bonds. If after payment in full of the Bonds, there remain any excess proceeds, any such amounts shall be transferred to the general fund of the District.

Section 3.04. Series A Escrow Fund and Series B Escrow Fund.

Series A Escrow Fund. A portion of the proceeds of the Bonds, as identified in a Certificate of the District under Section 3.02(b), shall be placed in the Series A Escrow Fund pursuant to the Escrow Agreement. The Series A Escrow Fund shall be used exclusively for the purpose of the payment and redemption of the Series A Prior Bonds being refunded, all as provided in the Escrow Agreement. Upon payment in full of all sums necessary under the Escrow Agreement, any funds remaining shall be transferred to the Debt Service Fund and the Series A Escrow Fund shall be closed.

Series B Escrow Fund. A portion of the proceeds of the Bonds, as identified in a Certificate of the District under Section 3.02(b), shall be placed in the Series B Escrow Fund pursuant to the Escrow Agreement. The Series B Escrow Fund shall be used exclusively for the purpose of the payment and redemption of the Series B Prior Bonds being refunded, all as provided in the Escrow Agreement. Upon payment in full of all sums necessary under the Escrow Agreement, any funds remaining shall be transferred to the Debt Service Fund and the Series B Escrow Fund shall be closed.

Section 3.05. Costs of Issuance Fund. The Costs of Issuance Fund is hereby established as a separate fund to be held by the Paying Agent for the District. Amounts in the Costs of Issuance Fund shall be used to pay the Costs of Issuance upon receipt by the Paying Agent of appropriate Certificates of the District or similar requisitions, on the Closing Date or thereafter. The Paying Agent shall maintain the Costs of Issuance Fund for a period of 90 days from the Closing Date and then shall transfer any sums remaining to the Debt Service Fund and the Costs of Issuance Fund shall be closed.

Section 3.06. Security for the Bonds. The Bonds are general obligations of the District, payable from the levy of *ad valorem* taxes upon all property within the District subject to taxation by the District, without limitation of rate or amount, for the payment of the Bonds and the interest and redemption premium, if any, thereon. The District hereby directs the County to levy on all the taxable property in the District, in addition to all other taxes, a continuing direct and *ad valorem* tax annually during the period the Bonds are Outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due, including the principal of any Bonds upon the mandatory sinking fund redemption thereof pursuant to Section 2.03(b), which moneys when collected will be placed in the Debt Service Fund.

The principal of and interest and redemption premium (if any) on the Bonds shall not constitute a debt of the County, the State of California, or any of its political subdivisions other than the District, or any of the officers, agents or employees thereof, and neither the County, the State of California, any of its political subdivisions nor any of the officers, agents or employees thereof shall be liable thereon.

Section 3.07. Investment of Moneys in Funds. Except as otherwise provided herein, and except for investments specifically applicable to the Escrow Fund, moneys in any fund or account created under this Resolution and held by the County Treasurer for the District shall be invested in Authorized Investments pursuant to law and the investment policy of the County, unless otherwise directed in writing by the District. Subject to the provisions of Section 5.11, and notwithstanding the provisions hereof for the establishment of separate funds or accounts, investments may be commingled in a separate fund or funds for purposes of making, holding, disposing of investments, provided that the County Treasurer shall, at all times, account for such investments strictly in accordance with the funds and accounts to which they are credited. Except as otherwise provided in the next sentence, the District covenants that all investments of amounts deposited in any fund or account under this Resolution, or otherwise containing gross proceeds of the Bonds (under Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Resolution or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of Tax Code shall be valued at their present value (under Section 148 of the Tax Code).

ARTICLE IV

SALE OF THE BONDS, APPROVAL OF ESCROW AGREEMENT; APPOINTMENT OF BOND COUNSEL; OFFICIAL STATEMENT

Section 4.01. Sale of the Bonds. The Bonds shall be sold to the Original Purchaser pursuant to the terms of a Purchase Contract, between the Original Purchaser and the District, and dated the date of sale of the Bonds (the "Purchase Contract"), so long as the aggregate principal amount of the Bonds does not exceed \$17,000,000, so long as the District achieves savings of at least 3% of the net present value of the principal amount of Prior Bonds being refunded, and so long as the Original Purchaser's discount on the Bonds (without regard to an original issue discount, if any) does not exceed 1%. A District Representative is hereby authorized and directed to execute the Purchase Contract, so long as the limitations contained herein are reflected in the Purchase Contract.

Section 4.02. Approval of Escrow Agreement. The Escrow Agreement, dated as of the closing date, between the District and the Escrow Holder, in the form on file with the Superintendent, is hereby approved, and the District Representatives are hereby separately authorized to execute the Escrow Agreement.

Section 4.03. Official Statement. The Board hereby directs the Business Manager, to cause to be prepared, and to deem final, within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, a Preliminary Official Statement describing the Bonds. The Business Manager is hereby authorized to execute an appropriate certificate stating his determination that the Preliminary Official Statement is final within the meaning of such Rule. Distribution of the Preliminary Official Statement in connection with the sale of the Bonds is hereby approved. The Business Manager is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by the Business Manager shall be conclusive evidence of his approval of any such changes and additions. The Board hereby authorizes the distribution of the final Official Statement by the purchaser of the Bonds. The final Official Statement shall be executed in the name and on behalf of the District by the Superintendent or the Business Manager.

Section 4.04. Appointment of Bond Counsel. Jones Hall, A Professional Law Corporation, is hereby appointed to act as bond counsel to the District for the issuance of the Bonds, and the District Representatives are hereby separately authorized to execute that certain Agreement for Legal Services, between the District and Jones Hall, in substantially the form on file with the District.

Section 4.05. Official Action. All actions heretofore taken by the officers and agents of the District with respect to the sale and issuance of the Bonds are hereby approved, and the Board of Trustees of the District, and the District and any and all other officers of the District are hereby authorized and directed for and in the name and on behalf of the District, to do any and all things and take any and all actions relating to the execution and delivery of any and all certificates, requisitions, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution.

ARTICLE V

OTHER COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District will supply the County Auditor-Controller with the necessary information regarding the scheduled Debt Service for the Bonds from and after the Closing Date, so that the County may, on a timely basis, levy *ad valorem* taxes, as provided in Section 15250 of the Act, to enable the District to punctually pay, or cause to be paid, the principal of and interest on the Bonds which comes due, in conformity with the terms of the Bonds and of this Resolution. Nothing herein contained shall prevent the District from making advances of its own moneys, howsoever derived, to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and will not, directly or indirectly, approve any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Resolution, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have so extended or funded.

Section 5.03. Protection of Security and Rights of Owners. The District will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.04. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Resolution.

Section 5.05. No Arbitrage. The District shall not take, nor permit or suffer to be taken by the County Treasurer, the Paying Agent or otherwise, any action with respect to the proceeds of the Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the Bonds would have caused the Bonds to be "arbitrage bonds" within the meaning of section 148 of the Tax Code.

Section 5.06. Federal Guarantee Prohibition. The District shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Tax Code.

Section 5.07. Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not used as to cause the Bonds to satisfy the private business use tests of section 141 (b) or the private loan financing test of section 141 (c) of the Tax Code as in effect on the date of issuance of the Bonds or as it may be amended to apply thereafter.

Section 5.08. Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to rebate of excess investment earnings, if any, to the federal government.

Section 5.09. Maintenance of Tax Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Bonds from gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the Bonds.

Section 5.10. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of this Resolution, failure of the District to comply with the Continuing Disclosure Certificate shall not be considered an event of default; however, the Paying Agent may (and, at the request of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Bonds, shall) or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

ARTICLE VI

THE PAYING AGENT

Section 6.01. Appointment of Paying Agent. U.S. Bank National Association, at its Principal Office, is hereby appointed Paying Agent for the Bonds. The Paying Agent undertakes to perform such duties, and only such duties, as are specifically set forth in this Resolution, and, even during the continuance of an Event of Default, no implied covenants or obligations shall be read into this Resolution against the Paying Agent. The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Resolution by executing and delivering to the District a certificate to that effect.

The District may remove the Paying Agent initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank or trust company doing business in the State of California, having a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section 6.01 the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Paying Agent may at any time resign by giving written notice to the District and the Bondowners of such resignation. Upon receiving notice of such resignation, the District shall promptly appoint a successor Paying Agent by an instrument in writing. Any resignation or removal of the Paying Agent and appointment of a successor Paying Agent shall become effective upon acceptance of appointment by the successor Paying Agent.

Section 6.02. Paying Agent May Hold Bonds. The Paying Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Paying Agent.

Section 6.03. Liability of Agents. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Paying Agent assumes no responsibility for the correctness of the same, nor makes any representations as to the validity or sufficiency of this Resolution or of the Bonds, nor shall incur any responsibility in respect thereof, other than as set forth in this Resolution. The Paying Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default.

In the absence of bad faith, the Paying Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Paying Agent and conforming to the requirements of this Resolution; but in the case of any such certificates or opinions by which any provision hereof are specifically required to be furnished to the Paying Agent, the Paying Agent shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Resolution.

The Paying Agent shall not be liable for any error of judgment made in good faith by a responsible officer unless it shall be proved that the Paying Agent was negligent in ascertaining the pertinent facts.

No provision of this Resolution shall require the Paying Agent to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Paying Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Paying Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

Section 6.04. Notice to Agents. The Paying Agent may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Paying Agent may consult with counsel, who may be of counsel to the District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its duties under this Resolution the Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Paying Agent, be deemed to be conclusively proved and established by a certificate of the District, and such certificate shall be full warrant to the Paying Agent for any action taken or suffered under the provisions of this Resolution upon the faith thereof, but in its discretion the Paying Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Section 6.05. Compensation, Indemnification. The District shall pay to the Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Resolution. A District Representative is hereby authorized to execute an agreement or agreements with the Paying Agent in connection with such fees and expenses. The District further agrees to indemnify and save the Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or bad faith.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. Any one or more of the following events shall constitute an "event of default":

(a) if default shall be made in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) if default shall be made in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) if default shall be made by the District in the observance of any of the covenants, agreements or conditions on its part in this Resolution or in the Bonds contained, and such default shall have continued for a period of thirty (30) days after written notice thereof to the chief business official of the District; or

(d) if the District shall file a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, seeking reorganization of the District under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property.

Section 7.02. Application of Funds Upon Default. All of the sums in the Debt Service Fund and accounts provided for in Section 3.03 hereof upon the occurrence of an Event of Default as provided in Section 7.01 hereof, and all sums thereafter received by the Paying Agent hereunder, shall be applied by the Paying Agent in the following order upon presentation of the Bonds, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Paying Agent hereunder and of the costs and expenses of Bondowners in declaring such event of default, including reasonable compensation to their agents, attorneys and counsel;

Second, in case the principal of the Bonds shall not have become due and payable, to the payment of the interest in default in the order of the maturity of the installments of such interest, with interest on the overdue installments at a rate of interest equal to the average interest rate on the Bonds (to the extent that such interest on overdue installments shall have been collected), such payments to be made ratably to the persons entitled thereto without discrimination or preference;

Third, in case any principal of the Bonds shall have become and shall be then due and payable, all such sums shall be applied to the payment of the whole amount then owing and unpaid upon the Bonds for principal and interest, with interest on the overdue principal and installments of interest at a rate of interest equal to the average interest rate on the Bonds (to the extent that such interest on overdue installments of

interest shall have been collected), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such principal and interest without preference or priority of principal over interest, or interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

Section 7.03. Remedies of Bondowners. Any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Resolution and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights; or

(c) upon the happening of any event of default (as defined in Section 7.01 hereof), by suit, action or proceeding in any court of competent jurisdiction, to require the District and its members and employees to account as if it and they were the trustees of an express trust.

Section 7.04. Non-Waiver. Nothing in this Article VII or in any other provision of this Resolution, or in the Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action against the District, which is also absolute and unconditional, of such Owners to institute suit against the District to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by this Article VI may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bondowners, the District and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 7.05. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL RESOLUTIONS

Section 8.01. Supplemental Resolutions Effective Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the District may be adopted, which, without the requirement of consent of the Owners of the Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the District in this Resolution, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this Resolution, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Resolution as theretofore in effect;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Resolution;

(d) To cure any ambiguity, supply and omission, or cure or correct any defect or inconsistent provision in this Resolution; or

(e) To make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for purposes of federal income taxation of interest on the Bonds.

Section 8.02. Supplemental Resolutions Effective With Consent to the Owners. Any modification or amendment of this Resolution and of the rights and obligations of the District and of the Owners of the Bonds, in any particular, may be made by a Supplemental Resolution, with the written consent of the Owners of at least two-thirds in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Resolution Limited to Parties. Nothing in this Resolution, expressed or implied, is intended to give to any person other than the District, the Paying Agent and the Owners of the Bonds, any right, remedy, claim under or by reason of this Resolution. Any covenants, stipulations, promises or agreements in this Resolution contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Bonds.

Section 9.02. Defeasance.

(a) Discharge of Resolution. Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c)) to pay or redeem Bonds Outstanding; or

(iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding.

If the District shall pay all Bonds Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Representative, filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and this Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, this Resolution and other assets made under this Resolution and all covenants, agreements and other obligations of the District under this Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b) and the obligation of the District to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income under the Tax Code. . In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

(b) Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as in Section 2.03 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond

by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the Paying Agent as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Paying Agent. Whenever in this Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to this Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as in Section 2.03 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Section 2.03 provided or provision satisfactory to the Paying Agent shall have been made for the giving of such notice;

provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of this Resolution or by request of the District) to apply such money to the payment of such principal or redemption price and interest with respect to such Bonds.

(d) Payment of Bonds After Discharge of Resolution. Notwithstanding any provisions of this Resolution, any moneys held by the Paying Agent in trust for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Resolution), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by this Resolution, and all liability of the Paying Agent with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the registration books maintained by the Paying Agent a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Section 9.03. Execution of Documents and Proof of Ownership by Owners. Any request, declaration or other instrument which this Resolution may require or permit to be executed by Owners may be in one or more instruments of similar tenor, and shall be executed by Owners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondowner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District, the Paying Agent or the chief business official of the District in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability. No Board member, officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such Board member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.05. Destruction of Canceled Bonds. Whenever in this Resolution provision is made for the surrender to the District of any Bonds which have been paid or canceled pursuant to the provisions of this Resolution, a certificate of destruction duly executed by the Paying Agent shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.06. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Resolution shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Resolution. The District hereby declares that it would have adopted this Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Resolution may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the chief business official of the District in trust for the benefit of the Bondowners.

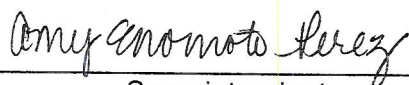
Section 9.07. Effective Date of Resolution. This Resolution shall take effect immediately.

Unless this certificate is presented by an authorized representative of The Depository Trust Company; a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein. It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Resolution.

This Bond shall not be entitled to any benefit under the Resolution or become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed manually by the Paying Agent.

IN WITNESS WHEREOF, the Rosemead School District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its Superintendent and its Clerk of the Board and its seal to be reproduced hereon, all as of the Issue Date stated above.

ROSEMEAD SCHOOL DISTRICT

By 
Superintendent

ATTEST:


Clerk of the Board

[FORM OF PAYING AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Resolution.

Authentication Date:

as Paying Agent

Authorized Signatory

(FORM OF BACK OF BOND)

This Bond is one of a duly authorized issue of bonds of the District designated as "Rosemead School District (County of Los Angeles, California) 2007 General Obligation Refunding Bonds" (the "Bonds"), in an aggregate principal amount of _____ Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or redemption and other provisions) and all issued pursuant to the provisions of Article 9 of Chapter 3 of Division 2 of Title 5 of the California Government Tax Code and Article 3.7 of Chapter 4 (commencing with Section 53550 of Part 1 of Division 2 of Title 5 of the California Government Tax Code (collectively, the "Act"), and pursuant to Resolution No. _____ of the District adopted May __, 2007, (the "Resolution"), authorizing the issuance of the Bonds. Reference is hereby made to the Resolution (copies of which are on file at the office of the Clerk of the Board) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Paying Agent and the rights and obligations of the District thereunder, to all of the provisions of which Resolution the Owner of this Bond, by acceptance hereof, assents and agrees.

The Bonds have been issued by the District to refund general obligation bonds of the District consisting of Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election of 2000, Series A, issued in the original principal amount of \$8,000,000 and Rosemead School District (County of Los Angeles, California) General Obligation Bonds, Election of 2000, Series B, issued in the original principal amount of \$10,000,000.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Resolution) are general obligations of the District and the District has the power and is obligated to cause the Los Angeles County Treasurer-Tax Collector to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District.

The Bonds maturing on or before [August][February] 1, ____, are non-callable. The Bonds maturing on [August][February] 1, ____ or any time thereafter, are callable for redemption prior to their stated maturity date at the option of the District, in whole on any date,

or in part on any interest payment date, on or after [August][February] 1, _____, in inverse order of maturity and by lot within any such maturity if less than all of the Bonds of such maturity are to be redeemed, unless otherwise specified by the District, and may be redeemed prior to the maturity thereof by payment of all principal, plus accrued interest to date of redemption, without premium.

If an Event of Default, as defined in the Resolution, shall occur, the principal of all Bonds may be declared due and payable upon the conditions, in the manner and with the effect provided in the Resolution, but such declaration and its consequences may be rescinded and annulled as further provided in the Resolution.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Resolution. Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Paying Agent in San Francisco, California, but only in the manner and subject to the limitations provided in the Resolution, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The District and the Paying Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the District and the Paying Agent shall not be affected by any notice to the contrary.

The Resolution may be amended without the consent of the Owners of the Bonds to the extent set forth in the Resolution.

STATEMENT OF INSURANCE

[to come]

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM -- as tenants in common

UNIF GIFT MIN ACT ____ Custodian

TEN ENT -- as tenants by the
entireties

(Cust) ____ (Minor)
under Uniform Gifts to Minors

JT TEN -- as joint tenants with

Act _____
(State)

____ right of survivorship
____ and not as tenants in
____ common

ADDITIONAL ABBREVIATIONS MAY ALSO BE USED
THOUGH NOT IN THE LIST ABOVE

(FORM OF ASSIGNMENT)

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within Bond and do(es) hereby irrevocably constitute and appoint _____,
attorney, to transfer the same on the registration books of the Paying Agent, with full power of
substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: The signature on this assignment
must correspond with the
name(s) as written on the face
of the within Bond in every
particular without alteration or
enlargement or any change
whatsoever.

* * * * *

I hereby certify that the foregoing Resolution was passed and adopted by the Board of Trustees of the Rosemead School District at a regular meeting thereof duly held on May 24, 2007, by a majority vote of all of its members.


Adopted by the following votes:

AYES: 5

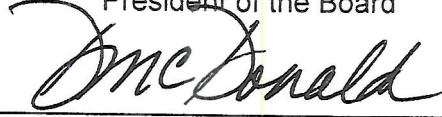
NOES: 0

ABSENT: 0

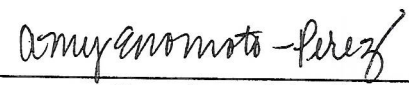
ROSEMEAD SCHOOL DISTRICT



President of the Board



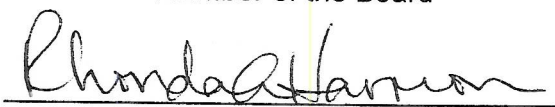
Clerk of the Board




Secretary of the Board



Member of the Board



Member of the Board



Member of the Board